

CONGRESSIONAL RECORD — SENATE

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Whereas postmasters in different regional areas issued various type questionnaires to employees concerning outside activities; and

Whereas we deem this an invasion of our rights as citizens and free men in a democratic society; and

Whereas we are paid for an 8-hour day and a 40-hour week for working in the post office, and the remainder of each day and each week should be our own time, to do with as we see fit, as long as we violate no laws of the land; and

Whereas the authority to force this indignity upon postal employees stems from the decision in the St. Paul court action regarding such an order in that office; and

Whereas this policy by the department is a far reaching matter that could and will eventually touch each and every postal and Government employee; Therefore be it

Resolved, That the California Federation of Post Office Clerks, in convention assembled at Fresno May 24-27, do go on record as condemning and protesting this action; and be it further

Resolved, That action be taken to bring this to the attention of the delegates at the national convention in Chicago in August, 1956, and that the national officers be mandated to seek to remedy the situation, either by legislation, or by appeal to a higher court of the St. Paul decision; and be it further

Resolved, That if court action is necessary that such action be carried to the highest court possible in an effort to gain a reversal of the St. Paul decision and that the various locals in the federation be assessed on a pro-rata basis the cost of appealing said court action; and be it further

Resolved, That copies of this resolution be sent immediately to the national officers, so that they may know the stand of this organization at once; and be it further

Resolved, That copies of this resolution be sent immediately to each member of the House and Senate Post Office and Civil Service Committee.

PROTESTING "GAG" ORDERS OF THE POSTAL FIELD SERVICE

Whereas employees are restrained from advising with each other—by means of bulletin boards located in locker and swing rooms, without prior censorship by the postal official in charge of the installation, concerning matters which may be held to be controversial by the postal official in charge who is, in many cases, directly and solely responsible for whatever controversy exists; and

Whereas by means of recent changes in the Postal Manual, specifically parts 741 and 744 and all sections pertaining thereto, a studied and calculated attempt has been made to silence employees of the postal field service to prevent them from expressing their dissatisfaction with existing conditions; and

Whereas the provisions of this change have already been enforced in some instances; and

Whereas the existing relations between management and labor in the postal field service are not in the best interests of the postal service; Therefore be it

Resolved, That the California Federation of Post Office Clerks assembled in convention at Fresno, Calif., May 24-27, 1956, does hereby condemn these actions of the Post Office Department as oppressive, unwise and illegal and destructive of a sound modern personnel-management relationship, and calls upon the 84th Congress to support immediate and corrective action toward these inequities, and be it further

Resolved, That copies of this resolution be forwarded to our national officers, Senators KNOWLAND and KUCHEL, and each of the California Congressmen, Congressman MOSS, Subcommittee on Government Information, and that it also be released to the press for publication.

DISSEMINATION OF PROPAGANDA

Whereas the primary function of the Postal Bulletin has always been to transmit official information; and

Whereas the Department now uses the Postal Bulletin as a medium to disseminate propaganda; and

Whereas the Department publishes and issues free of charge to employees, a magazine titled "Postal Service News"; and

Whereas it is obvious that the aim of the Department is to reduce the deficit, even at the expense of maintaining adequate service; Therefore be it

Resolved, That the California Federation of Post Office Clerks in convention assembled at Fresno, Calif., May 24-27, 1956, go on record urging the omission of Department propaganda from the Postal Bulletin and the suspension of "Postal Service News"; and be it further

Resolved, That the specific cost of this unnecessary publication to the taxpayer be ascertained to determine the exact amount the deficit can be reduced; and, be it further

Resolved, That copies of this resolution be sent to the Chairman of the Senate and House Post Office Committees and to the Senators and Representatives from California.

PROTEST TRANSFER OF GOVERNMENT ACTIVITIES TO PRIVATE BUSINESS

Whereas the President of the United States has directed the Federal Agencies and Departments to review their commercial and industrial activities to determine which functions can be taken over by private industry; and

Whereas the entire policy is being predicated without regard to increased cost to the taxpayer, national security, the Government's moral obligation to Federal employees and the Government's operation of the Postal Service as established by the Constitution of the United States; and

Whereas such directions have affected affected postal operations by recommending:

(a) Postal remittances, money order, and other finance activities formerly handled in post offices and in other central accounting offices have been transferred to banking institutions;

(b) IBM machines and others are now being used in postal work with the ownership retained by business firms and used in postal activities on a rental basis;

(c) The Post Office Department has contracted much of the postal work to individuals and firms who to all intents and purposes conduct post offices involving money order, registry, COD, insurance, stamp sales and other postal activities: Now, therefore, be it

Resolved, That the California Federation of Post Office Clerks, in convention assembled at Fresno, Calif., May 24-27, 1956, go on record in opposition to the policy which would deprive postal personnel of the duties pertinent to the operation of the United States Postal Service as now established by the Constitution and the laws of Congress; and be it further

Resolved, This protest be communicated to Members of Congress from the State of California, to the Honorable RICHARD M. NIXON, Vice President of the United States, and President of the Senate; the Honorable LYNDON JOHNSON, majority leader; the Honorable W. F. KNOWLAND, minority leader, the Honorable SAM RAYBURN, Speaker of the House of Representatives; the Honorable JOHN MCCORMACK, majority leader; and the Honorable JOSEPH W. MARTIN, Jr., minority leader, advising them of our protest over this policy of taking away the duties and work of postal personnel and transferring same to private individuals who have not demonstrated their ability to handle such responsibility, nor have pledged their loyalty and devotion to the Federal Government as have the post-office employees of this Nation.

WORKING CONDITIONS

Whereas the present policies of the Post Office Department involve the elimination of

seniority as a major factor in promotions; and

Whereas the installation of the Works Performance Standards program has resulted in the establishment of a vicious speed-up system which places men in competition with each other in an effort to reach impossible goals; and

Whereas other working conditions with particular reference to hours and tours of duty, assignments, compensatory time and substitute employment to name only a few, are steadily deteriorating; and

Whereas interpretations of Public Laws 68, 84th Congress, by the Post Office Department are designed to circumvent and nullify the provisions of section 606 (b) of that act by authorizing or purporting to authorize the employment of substitutes for less than 2 hours on a voluntary basis in direct violation of law; and

Whereas the interpretation by the Post Office Department of section 403 (1) deprives employees of their legal rights to promotions on specified dates, contrary to the stated language of the act; and

Whereas regional and district officers are issuing orders and directives with respect to seniority, sick and annual leave, filling of vacancies and increases in compensation which are directly contrary to what we have been assured is the policy of the Post Office Department; and

Whereas as a result of these developments and others too numerous to mention there is a steady and noticeable decline in morale among employees; and

Whereas these conditions have all been brought about by unilateral actions on the part of the Post Office Department without previous consultation with employee representatives on either a local or national scale; and

Whereas employees are restrained, under part 743.222 of the Postal Manual, from advising with each other—by means of bulletin boards located in locker and swing rooms not accessible to the public—concerning matters which may be held to be controversial by a postmaster who is in many cases, directly and solely responsible for whatever controversy exists; and

Whereas by means of recent changes in the Postal Manual, part 744.442, a studied and calculated attempt has been made to silence and gag employees of the field postal service to prevent them from expressing their dissatisfaction with existing conditions; and

Whereas this action is in direct violation of section 6 of the act of August 24, 1912, better known as the Lloyd-Lafollette anti-gag law: Now, therefore, be it

Resolved, That the California Federation of Post Office Clerks, in convention assembled at Fresno, Calif., May 24, 25, 26, 27, 1956, does hereby condemn those actions of the Post Office Department as oppressive, unwise and illegal and destructive of a sound modern personnel-management relationship, and call upon the California Congressmen and Senators thereof, to enact legislation which will absolutely require the heads of each department and agency of our Federal Government to cease and desist from practices which in the case of an employer under the National Labor Relations Act would be branded as unfair labor practices; and be it further

Resolved, That we endorse the Phoebe Johnston bills H. R. 10237; S. 3593 for this purpose and urge each Member of Congress who believes in human dignity and fair play to support this legislation and work for its enactment at the current session of the 84th Congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 3704. A bill to authorize the acquisition of the remaining property in square 725 and the property in square 724 in the District of Columbia for the purpose of extension of the size of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds (Rept. No. 2263).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 1893. A bill for the relief of Robert F. Gross (Rept. No. 2269).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

S. 3042. A bill to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended (30 U. S. C., sec. 184), in order to promote the development of phosphate on the public domain (Rept. No. 2272).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with amendments:

S. 1333. A bill to authorize the construction, operation, and maintenance of the Hells Canyon Dam on the Snake River between Idaho and Oregon, and for related purposes (Rept. No. 2275).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, without amendment:

S. 3512. A bill to permit desert land entries on disconnected tracts of lands which, in the case of any one entryman, form a compact unit and do not exceed in the aggregate 320 acres (Rept. No. 2271).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3743. A bill to add certain federally owned land to the Lassen Volcanic National Park, in the State of California, and for other purposes (Rept. No. 2264).

By Mr. BEALL, from the Committee on the District of Columbia, without amendment:

H. R. 6782. A bill to amend section 7 of an act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902, as amended (Rept. No. 2268).

By Mr. KENNEDY, from the Committee on Government Operations, with amendments:

S. 3362. A bill to simplify accounting, facilitate the payment of obligations, and for other purposes (Rept. No. 2266); and

H. R. 7227. A bill to amend further the Federal Property and Administrative Services Act of 1949, as amended, to authorize the disposal of surplus property for civil defense purposes, to provide that certain Federal surplus property be disposed of to State and local civil defense organizations which are established by or pursuant to State law, and for other purposes (Rept. No. 2267).

By Mr. MONRONEY, from the Committee on Banking and Currency, without amendment:

H. R. 10230. An act to amend sections 3526 and 3528 of the Revised Statutes relating to the coinage of subsidiary silver coins and minor coins of the United States (Rept. No. 2270).

By Mr. JENNER (for Mr. GREEN), from the Committee on Rules and Administration, without amendment:

S. Con. Res. 79. Concurrent resolution to print additional copies of Senate document No. 117, entitled "A Handbook for Americans."

By Mr. GEORGE, from the Committee on Foreign Relations, without amendment:

S. J. Res. 165. Joint resolution approving the relinquishment of the consular jurisdiction of the United States in Morocco (Rept. No. 2274).

By Mr. GEORGE, from the Committee on Foreign Relations, with an amendment:

H. R. 11356. A bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes (Rept. No. 2273).

By Mr. MACDONALD, from the Committee on Interstate and Foreign Commerce, with an amendment:

H. R. 6226. A bill to provide for the redemption by the Post Office Department of certain unsold Federal migratory-bird hunting stamps, and to clarify the requirements with respect to the age of hunters who must possess Federal migratory-bird hunting stamps (Rept. No. 2276).

IMPROVEMENT OF GOVERNMENTAL BUDGETING AND ACCOUNTING METHODS AND PROCEDURES (S. REPT. NO. 2265)

Mr. KENNEDY. Mr. President, I am about to submit a report, and I ask unanimous consent that I may speak on it, in excess of the 2 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, from the Committee on Government Operations, I report favorably, without amendment, the bill (S. 3897) to improve governmental budgeting and accounting methods and procedures, and for other purposes.

This bill was ordered reported unanimously by the Committee on Government Operations on June 7, 1956, after extensive hearings during this session of the Congress. In my opinion, and that of the foremost authorities on financial management, it is the most significant development in the Government's financial structure in a decade or more.

Sponsored by 32 Members of this body, from both sides of the aisle, the bill would place the entire governmental financial structure on an annual accrued expenditures basis. The heart of the bill is contained in section I which provides that the Congress make its appropriations for each fiscal year upon the estimates of expenditures actually to be made or to be accrued during that fiscal year, as opposed to the present complicated procedure whereby the Congress appropriates billions of dollars for a fiscal year which are expended during future fiscal years—and over which the Congress has little or no control once the appropriations are made.

This feature would eliminate or substantially reduce the tremendous carryovers of unexpended balances of appropriations, presently estimated as high as \$48 billion, which have plagued the Congress for many years. In addition, I am convinced enactment of this legislation will produce substantial operating economies by placing our financial structure on a more businesslike basis where we know each fiscal year what is required, what is expended, and what we have received for the expenditures made.

To convert appropriations to an annual expenditures basis, the bill provides that the executive agencies shall maintain their budgets on a cost-operating basis and maintain their accounts on an accrual expenditures basis. In no other way can the Congress realistically appropriate on the basis of actual requirements each fiscal year.

To avert any fear or confusion that this legislation will in any way impair

the maintenance of the military establishment at the levels that the preservation of our national security dictates, I should like to state that the evidence presented before the Government Operations Committee makes clear that the stating of appropriations on an expenditures basis will not affect the existing statutory authority of the executive departments, including the Department of Defense, to contract for or make commitments for capital expenditures in future fiscal years, provided that the existing requirement that advance approval be obtained from the Appropriations Committees of the Congress is met.

In connection with this very important aspect, I should like to have printed in the RECORD, as a part of my remarks, a letter from the Comptroller General of the United States.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, June 6, 1956.

HON. JOHN F. KENNEDY,
Chairman, Subcommittee on Reorganization, Committee on Government Operations, United States Senate.

DEAR MR. CHAIRMAN: During the hearings this morning on S. 3897, representatives of the Department of Defense suggested that the language of the proposed section 201 (b) of the Budget and Accounting Act, 1921, might be clarified by the insertion of the following proviso at the end of the paragraph in lines 6 through 9 of page 2 of S. 3897:

"Provided, That nothing in this subsection shall be construed to affect the authority of the President to submit requests for authorizations to create obligations in advance of appropriations."

The Defense representatives apparently felt that the present language of lines 6 through 9 might possibly be construed as repealing by implication the authority for requesting contract authorizations contained in the present section 201 of the Budget and Accounting Act, 1921. It is our considered opinion that there is no conflict whatsoever between the language of the new subsection 201 (b) proposed to be added by this bill and the present section 201 of that act, and that the proposed section 201 (b) could not be construed as restricting the authority to request contract authorizations in the present section 201.

Section 2 of the Budget and Accounting Act, 1921, as amended, defines the term "appropriation" as used in that act as follows:

"The term 'appropriations' includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations, or any other authority making funds available for obligation or expenditure."

The use of the words "in appropriate context" contained in that definition makes it clear that the term "appropriation" may mean (1) the appropriation of funds; (2) authorizations to create obligations by contract in advance of appropriations (commonly referred to as "contract authority"); or both (1) and (2). As the term "appropriation" is used in the present section 201 (d), which under this bill would be section 201 (a) (5), and section 203, it clearly means both appropriation of funds and contract authority. As that term is used in line 6, page 2, of the bill, however, it is used in relation to the determining of amounts of proposed appropriations on an accrued expenditures basis. As the term "appropriation" is used in that context, it can mean

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only the appropriation of funds. Since the language in lines 8 through 9, page 2 of the bill relates only to the appropriation of funds, it cannot be viewed as conflicting with the authority in the present section 201 to include in the budget proper requests for authorizations to create obligations in advance of appropriations. The appropriation committees of the Congress will thus have the tools to review both the complete programs for which contractual authorizations are requested or have been granted as well as the amount of funds required to meet the expenditures which will accrue in the budget year.

Moreover, it should be noted that the legislative history of this bill already has made it clear that contractual authorizations for long lead-time programs will be required when the appropriations therefor are stated on an annual accrued expenditure basis. This was pointed out in the Hoover Commission Report on Budget and Accounting.

It thus seems very clear to us that the existing authority to include requests for contract authorizations in the budget would not be abrogated by this bill and that the clarifying language suggested by the Department of Defense is unnecessary.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Mr. KENNEDY. Mr. President, I am fully aware that the stating of appropriations on an expenditures basis is, indeed, a revolutionary change in the Government's financial structure. I may advise the Senate that this is proposed by the Senate Committee on Government Operations only after the most thorough deliberation and consideration.

This bill has the unqualified endorsement of the Director of the Bureau of the Budget, the Comptroller General of the United States, and the Secretary of the Treasury, as well as the general approval of the Department of Defense, which, I might say, despite the many technical problems involved, has cooperated wholeheartedly with the Senate Government Operations Committee's Subcommittee on Reorganization in the processing of this legislation during the last 90 days. As a matter of fact the Department of Defense has, for many years, been working steadily toward the accomplishment of most of the basic financial improvements which are the objectives of this bill.

In conclusion, I should like to emphasize that this legislation directly implements, verbatim, the recommendations of the Second Hoover Commission relating to cost-based budgeting, accrued accounting, and converting appropriations to an expenditures basis. The Hoover Commission gave the greatest significance to the conversion of appropriations to an expenditures basis as essential to improving financial management of the executive branch and restoring control of the purse to the Congress.

In connection with this, the President of the United States, in a special message to the Congress delivered May 10, 1956, urged early enactment of appropriate legislation to accomplish the Hoover Commission's recommendations in this field. After briefly reviewing certain administrative action already taken by the Bureau of the Budget, the President stated:

The actions being taken by the executive branch to put many of the Commission's proposals into effect will require close coordination with the legislative branch and merit the support which the Congress should and can provide. I urge that the Congress seek the early enactment of appropriate legislative provisions to support the main objectives of the Commission's recommendations.

The provisions of this bill, upon which the Reorganization Subcommittee of the Senate Committee on Government Operations has been working since early in this session of the 84th Congress, would, as I have previously indicated, directly effectuate the Hoover Commission's recommendations, as the President of the United States requested.

I strongly urge early consideration by the Senate of this vitally important bill. I know of no other legislation which is of greater importance at this crucial time to bringing order to our complicated financial structure and maintaining this Government on its strongest financial foundation.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. JOHNSON of Texas. I wonder when the distinguished Senator would like to have called up the budget and accounting bill, on which he has just filed a unanimous report. Would he be ready to have the bill considered later in the week?

Mr. KENNEDY. Yes; as soon as it is agreeable to the majority leader.

Mr. JOHNSON of Texas. As I understand, the bill was reported unanimously.

Mr. KENNEDY. It was reported unanimously by its sponsors on both sides of the aisle.

Mr. JOHNSON of Texas. The leadership also is interested in the depressed-areas bill. I understand the Senator from Massachusetts attended a meeting of the committee this morning, but a quorum of the committee was not present. Is there to be an attempt to have a meeting later this week?

Mr. KENNEDY. Yes, a meeting will be held to decide on the matter one way or another this week.

Mr. JOHNSON of Texas. I assure the distinguished Senator from Massachusetts of the cooperation of the leadership. As soon as the minority leader gives me an answer concerning the bill just reported, the leadership will try to schedule it for consideration on either Wednesday or Thursday, or on Friday if the Senate is in session, or perhaps on Monday if the consideration of the bill will not take a great deal of time.

As soon as the depressed-areas bill is reported, the leadership expects to give it high priority.

I hope the members of the committee will meet and act on the proposed legislation at as early a date as possible. I do not want to have the calendar become crowded in the last days of the session.

Mr. KENNEDY. I appreciate the willingness of the majority leader to schedule quick action on Senate bill 3897, because it embodies, I think, one of the

most important recommendations of the Hoover Commission.

Mr. JOHNSON of Texas. The leadership is delighted to cooperate with the very able Senator from Massachusetts.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of New Jersey (for himself and Mr. HILL):

S. 4081. A bill to encourage and assist the States in the establishment of State Committees on Education Beyond the High School; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 4082. A bill for the relief of Kasimovs Abarons; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. JACKSON) (by request):

S. 4083. A bill to change the name of the Government locks at Ballant, Wash. to the "Hiram M. Chittenden locks"; to the Committee on Public Works.

By Mr. KEFAUVER:

S. 4084. A bill for the relief of Hekel Salman Shina; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. KENNEDY) (by request):

S. 4085. A bill for the relief of John (Joannis) Legatos; to the Committee on the Judiciary.

GRANTS TO STATES FOR STATE COMMITTEES ON EDUCATION BEYOND THE HIGH SCHOOL LEVEL

Mr. SMITH of New Jersey. Mr. President, the Nation will soon be facing a very critical situation with regard to our institutions of higher learning—namely, our colleges and universities. It is estimated that within the next 10 years there will be 3 students in our colleges for every 2 who are now there.

So we shall soon be facing some very difficult questions. Where will we get the needed teachers? How can the coming increase in students be handled by the colleges without decreasing their standards?

Closely allied to these problems is the serious shortage of trained college graduates in such fields as science and engineering.

In order that these numerous problems may receive serious and organized attention at all levels of Government and among our private institutions, President Eisenhower, in his special message to Congress of January 12, 1956, announced he would appoint a Committee on Education Beyond the High School.

This has now been done; and the President's Committee has recommended the appropriation of one-time grants to all the States, to encourage the setting up of State committees on education beyond the high school level.

Mr. President, after conferring with the distinguished senior Senator from Alabama (Mr. HILL), the chairman of the Committee on Labor and Public Welfare, I introduce, on behalf of the Senator from Alabama and myself, a bill to authorize the appropriation of \$300,000,

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to be available until June 30, 1958, for grants to the States on the basis of their populations, to encourage and assist them in the initial formulation of the State committees to make this study.

Mr. President, I ask that the bill be appropriately referred; and I ask unanimous consent to have printed in the Record, at the conclusion of my remarks, a copy of the bill and a letter to the Speaker of the House from Secretary of Health, Education, and Welfare, the Honorable Marion B. Folsom, asking for support of this proposal.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the Record.

The bill (S. 4081) to encourage and assist the States in the establishment of State committees on education beyond the high school, introduced by Mr. SMITH of New Jersey (for himself and Mr. HILL), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the Record, as follows:

Be it enacted, etc., That the Congress hereby finds and declares that the impending great increases in enrollment in higher education institutions, the great national need for increased numbers of scientists, engineers, teachers, technicians, nurses, and other trained personnel, the rapid changes in conditions which necessitate additional education for many adults, and the dependence of the national security on the research and advanced preparation provided by educational institutions, combine to make it imperative that immediate stimulus be given to planning and action throughout the Nation which will meet adequately the needs for education beyond the high school.

SEC. 2. (a) To encourage and assist each State to provide for a State committee on education beyond the high school, composed of educators and other interested citizens, to consider educational problems beyond the high school and to make recommendations for appropriate action to be taken by public and private agencies at local, State, regional, and Federal levels, there is hereby authorized to be appropriated the sum of \$800,000. Sums appropriated pursuant to this section shall be allotted to the States on the basis of their respective populations according to the latest figures certified by the Department of Commerce except that no State's allotment shall be less than \$7,500.

(b) The Commissioner of Education shall pay its allotment to each State which, through its governor or other State official designated by the governor, undertakes to accept and use the sums so paid exclusively for the purposes set forth in subsection (a), including the expenses of studies and conferences, and to have its State committee on education beyond the high school make a report of its findings and recommendations to the Commissioner for the use of the President's committee on education beyond the high school. Sums appropriated pursuant to this section shall remain available until June 30, 1958, and any such sums remaining unpaid to the States or unobligated by them as of that date shall be returned to the Treasury.

SEC. 3. The Commissioner is authorized to accept funds, equipment, personal services, and facilities donated for purposes of this act and to use the same in accordance with such purposes.

SEC. 4. For the purposes of this act the term "State" includes the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

The letter presented by Mr. SMITH of New Jersey is as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, June 11, 1956.

HON. SAM RAYBURN,

Speaker of the House of Representatives.

DEAR MR. SPEAKER: I am enclosing for your consideration a draft bill to encourage and assist the States in the establishment of State committees on education beyond the high school.

The draft bill would authorize the appropriation of \$800,000, to be available until June 30, 1958, for grants to the States on the basis of their respective populations, in order to encourage and assist each State to provide for a State committee on education beyond the high school, which committee, through studies and conferences, would consider educational problems beyond the high school and make recommendations for appropriate action to be taken by public and private agencies at local, State, regional, and Federal levels. States would be required, through their governors, to undertake to use grants solely for the purposes of the act and to have their State committees submit reports to the Commissioner of Education for use of the President's Committee on Education Beyond the High School.

You will recall that the President, in his special message to the Congress on January 12, 1956, expressed his concern about the growing problems in the field of education beyond the high school and indicated that he would appoint a committee to develop proposals in this field, as follows:

Shortages now exist in medicine, teaching, nursing, science, engineering, and in other fields of knowledge which require education beyond the level of the secondary school. Changing times and conditions create new opportunities and challenges. There are now possibilities for older persons, properly trained, to lead more productive and rewarding lives. The tide of increasing school enrollment will soon reach higher educational institutions. Within 10 years we may expect 3 students in our colleges and universities for every 2 who are there now.

Higher education is and must remain the responsibility of the States, localities, and private groups and institutions. But to lay before us all the problems of education beyond high school, and to encourage active and systematic attack on them, I shall appoint a distinguished group of educators and citizens to develop this year, through studies and conferences, proposals in this educational field. Through the leadership and counsel of this group, beneficial results can be expected to flow to education and to the Nation, in the years ahead.

Composition of the committee was announced April 19 and on April 27 it met, organized, and agreed on basic objectives as follows: First, to collect, assemble and disseminate information for the purpose of increasing public awareness of the vast challenge which lies ahead in the field of education beyond the high school; second, to encourage the planning and action which must now be undertaken by institutions and groups of institutions, locally and nationally, publicly and privately, to meet the impending demands upon our educational system; the third, to advise the President as to the proper role of the Federal Government in this field and to recommend appropriate Federal policies and relationships.

In order to provide immediate stimulus to the initiation of widespread planning, studies, and action which should be undertaken now by institutions, States and localities, the committee recommended the provision of one-time grants to the States to encourage and assist each State to establish a State committee on education beyond the high school. These State counterparts to the national committee are essential not only for coordination of study and planning activities in the States but to provide a na-

tionwide mechanism for liaison with the national committee. The instant draft bill is designed to accomplish these objectives.

This Department shares with the Committee on Education Beyond the High School and with the educational leadership of the Nation, the great concern we all have about the necessity of bringing concerted action to bear on the mounting problems which we foresee ahead in this field of education and in meeting our future manpower needs. We are, therefore, in accord with the recommendation of the Committee.

I shall appreciate it if you would refer the draft bill to the appropriate committee for consideration.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely yours,

M. B. FOLSOM,
Secretary.

DEPARTMENT OF DEFENSE APPROPRIATIONS—AMENDMENTS

Mr. BRIDGES (for himself, Mr. BYRD, Mr. ELLENDER, Mr. SALTONSTALL, Mr. KNOWLAND, Mr. HOLLAND, and Mr. MUNDT) submitted amendments, intended to be proposed by them, jointly, to the bill (H. R. 10986) making appropriations for the Department of Defense for the year ending June 30, 1957, and for other purposes, which were ordered to lie on the table and to be printed.

EXTENSION OF LAWS DEALING WITH PROMOTIONS IN THE COAST GUARD—CHANGE OF REFERENCE OF LETTER

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from the further consideration of a letter dated May 18, 1956, from the Acting Secretary of the Treasury, addressed to the Vice President, relative to an extension of laws dealing with promotions in the Coast Guard, and that the letter be referred to the Committee on Interstate and Foreign Commerce.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. CASE of New Jersey:

Address delivered by former Senator Robert C. Hendrickson, now Ambassador to New Zealand, before Tin Hat Club, Christchurch, New Zealand, on April 24, 1956.

By Mr. MARTIN of Pennsylvania:

Citation awarded to George Meany for combating world communism and assisting the American Legion, and an address by Peter M. McGavin.

By Mr. GORE:

Statement by Commissioner Thomas E. Murray, of the United States Atomic Energy Commission, concerning the development of industrial atomic power, which will appear hereafter in the Appendix.

Editorial entitled "The Atomic Race for Peace," published in the Knoxville News-Sentinel.

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rate, and driving the small, independent dealers out of business.

The issue we are facing is whether the local independent businessman is seeing the end of his day as a part of the economic system of America, and is being succeeded by the national operator, who is in a position to write the whole law for himself.

It will be the endeavor of the subcommittee, as I stated to Governor Simpson in response to his letter to me, to make arrangements for the full presentation of the problem by representatives of independent filling stations, independent jobbers, small refiners, and big refiners. I hope to be able to lay on the table the entire story of the devices by which local independent enterprise is losing its economic freedom.

One of the bills, S. 11, was introduced by the Senator from Tennessee [Mr. KEFAUVER].

The committee is also about to open hearings on the meat industry. The Senator from Tennessee will preside at the opening session, which will be held tomorrow. The bills which are involved are not only S. 11, introduced by the Senator from Tennessee, but also H. R. 1840, introduced by Representative BYRON G. ROGERS of Colorado, and S. 780, which was introduced by the Senator from Indiana [Mr. CAPEHART].

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LONG. I am pleased to learn that hearings are to be conducted upon this important issue. I very much hope that the committee will report S. 11, or a bill which will accomplish the same purpose, some time during the next few weeks, because Congress will not be in session much longer. I am a cosponsor, along with the Senator from Tennessee [Mr. KEFAUVER], of S. 11.

Mr. O'MAHONEY. I am aware of that fact.

Mr. LONG. The Senator from Wyoming is familiar with the problems involved. It seems to me that the price discriminations which are adversely affecting small business are very serious. Unless Congress acts to afford some element of protection to small business which does not now exist, we shall see very many more business failures and bankruptcies than are necessary.

Mr. O'MAHONEY. The Senator is quite correct. I believe it will be possible to report proposed legislation which will, at least, be of some assistance in the situation which is developing.

The problem affects the entire economy. The struggle is now reaching its most critical point. I refer to the struggle between small independent enterprise in local communities and the great national, concentrated companies which operate throughout the United States, and sometimes throughout the world. We are losing the power to regulate commerce in the public welfare, and shall continue to lose it unless legislation of this kind, well drafted and properly conceived, is enacted.

IMPROVEMENT OF GOVERNMENTAL BUDGETING AND ACCOUNTING METHODS AND PROCEDURES

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded, and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3897) to improve governmental budgeting and accounting methods and procedures, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, in my opinion, the pending bill, if enacted, will bring about the most important reforms and improvements in the Government's financial structure in a decade or more.

Cosponsored by the distinguished Senator from Maine [Mr. PAYNE], who is a great authority on the subject and has done a tremendous amount of work in this field of legislation, and by 30 other distinguished Members of the Senate from each side of the aisle, S. 3897 was reported unanimously by the Committee on Government Operations on June 7.

It has the unqualified endorsement of the major financial departments of the Government, including the Director of the Bureau of the Budget, the Comptroller General of the United States and the Secretary of the Treasury, each of whom submitted testimony before the Subcommittee on Reorganization which held the hearings upon this matter.

The bill implements directly the recommendations of the Second Commission on Organization of the Executive Branch of the Government—the Second Hoover Commission—relating to budgeting and accounting.

The task force on budgeting and accounting was headed by Mr. J. Harold Stewart, of Boston, to whom the subcommittee is strongly indebted.

The bill would enact into law the recommendations made by the President of the United States to the Congress in his special message delivered May 10, 1956, when he urged early enactment of appropriate legislation in this field.

As I pointed out on yesterday when I filed the committee's report, this proposed legislation would place the entire governmental structure on an accrued annual expenditures basis, thus improving the financial management within the executive agencies, and immeasurably strengthening the control of the Congress over the purse strings.

As the Senate probably knows, more than \$25 million of Government expenditures in 1956 are being made from funds appropriated in previous

years. It seems to me, therefore, that the pending measure, if enacted, would bring about a radical and important reform in governmental accounting.

The bill provides that the executive agencies shall determine their budgets on a cost basis and shall maintain their accounts on an accrued expenditures basis to provide the foundation for the stating of appropriations by the Congress on an annual accrued expenditures basis, which is the heart of fiscal control.

In other words, upon the enactment of this bill, the Congress would make its appropriations for each fiscal year upon the estimates of expenditures actually to be made or to be accrued during that fiscal year, as opposed to the present appropriations procedure whereby appropriations are made upon an obligation basis which at times extends over several fiscal years in the future.

I am fully aware that this is a revolutionary change in our fiscal processes which could not be effectuated overnight, but which in all probability would be implemented gradually with the least disturbance within the executive agencies. Nor, do I believe—nor was there any evidence in the hearings—that it would have any adverse effect upon the Government's financial operations.

To the contrary, there is every indication that substantial operating economies will accrue to the Government from the establishment of more businesslike budgeting, accounting, and appropriations procedures. I strongly urge favorable action upon this bill.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from New Hampshire, who has attended every hearing on the bill and whose fine assistance was extremely important in bringing about action on the bill in committee and having it reported to the Senate.

Mr. COTTON. I thank the chairman of the subcommittee for his kind expressions. My purpose in rising is to make sure the record shows that the distinguished Senator from Massachusetts, the chairman of the subcommittee which considered the proposed legislation handled it in his characteristic able fashion. He gave it his constant attention. Hearings were held with great care. Testimony from the Comptroller General of the United States, from the Bureau of the Budget, and from departments involved, including the Department of Defense, was taken and carefully sifted and screened.

As a minority member of the subcommittee, I should like to take this opportunity to commend the distinguished Senator from Massachusetts for his able, careful, and painstaking handling of this important measure, and other measures to implement the recommendations of the Hoover Commission, to express my confidence in the subcommittee and the staff and also to assure the Senate that the measure has been carefully screened. We are all in hearty accord in urging the Senate to pass the bill.

Mr. KENNEDY. I thank the Senator, very much. I also wish to express regret that the Senator from Maine [Mr. PAYNE], who played such a major role in preparing this measure, is unable to be present because of a death in his family. In talking with him yesterday he expressed his great interest in the measure.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. JOHNSON of Texas. Mr. President, I wish to express my commendation of the Senator from New Hampshire [Mr. CORROW] for his nonpartisan approach to this matter and for the comments he has made regarding the Senator from Massachusetts [Mr. KENNEDY]. The Senator from Maine [Mr. PAYNE] is a coauthor of the measure. He expressed the hope that it would not be brought before the Senate during his absence, which was made necessary by a death in his family, but that did not fit in with the wishes of some other Senators.

I appreciate the contribution of both the Senator from New Hampshire and the Senator from Maine, and I also wish to commend my friend from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. I thank the Senator from Texas.

Mr. KNOWLAND. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. KNOWLAND. Mr. President, I wish to join in the comments made by the Senator from New Hampshire. As has been stated, the Senator from Maine [Mr. PAYNE] is unavoidably absent because of a death in his family. He is vitally interested in the measure and has asked me to convey to the Senate the great importance he attaches to this measure in connection with the operations of the Federal Government.

I wish to join, also, in commending the distinguished chairman of the subcommittee, the Senator from Massachusetts [Mr. KENNEDY], who has done such good work on the bill. I also wish to commend the entire committee and those who have worked together, on both sides of the aisle, in bringing the measure before the Senate.

Mr. KENNEDY. I thank the Senator from California.

Mr. McCLELLAN. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. McCLELLAN. Mr. President, I wish to state that too often, I think, we overlook the importance of the work and the responsibilities which are assumed by subcommittees of the various standing committees. In this particular instance, as my friend from Massachusetts [Mr. KENNEDY] and other Members realize, the chairman of the Government Operations Committee is carrying a very heavy workload; and were it not for Senators, like the distinguished Senator from Massachusetts, who are willing to cooperate and willing to take the chairmanship of subcommittees and actually do the heavy work in developing and processing proposed legislation of this character, our committees would bog down.

I am personally indebted to the Senator from Massachusetts and to those who serve with him on both sides of the aisle for the splendid job which has been done on this bill. It is an important measure. We can make substantial progress in getting ready for action on important and needed legislation only as our subcommittees take responsibility and do the job as thoroughly and efficiently as it has been done in this instance. The chairman of the full committee is thoroughly appreciative of the labors of the members of the subcommittee.

Mr. KENNEDY. I thank the Senator from Arkansas.

In considering appropriations for the armed services, we noticed a great number of obligated but unexpended balances which have been carried over for years. This bill will prevent such a situation from arising. It will give far greater authority to the Appropriations Committee each year, and it will be necessary for the committee to decide each year how much shall be appropriated to prevent the tremendous carryovers. So, Mr. President, it seems to me that this measure offers a hope of substantial savings, and also far greater control by the executive branch and by the Appropriations Committees of the Congress.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall it pass?

The bill (S. 3897) was passed.

Mr. BYRD subsequently said: Mr. President, I ask unanimous consent that, following the passage of the Kennedy-Payne bill, Senate bill 3897, there be printed in the RECORD a statement by me.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD
KENNEDY-PAYNE BILL

I am a patron on this bill because it is expressly a step in the direction of two objectives which I believe to be urgently needed in the Federal fiscal system:

1. Annual review of Congress of all major appropriations for expenditure in the coming fiscal year; and

2. Reduction in unexpended balances carried over from prior appropriations which now are available for years with ineffective legislative control over the annual rate of expenditure from them.

We must keep constantly before us the fact that there is a wide difference between annual appropriations and annual expenditures.

It is annual expenditures—not appropriations—measured by annual revenue which result in annual deficits or surpluses.

To demonstrate the difference between annual appropriations and annual expenditures, I shall summarize the record for the past 10 years.

In 1948 we appropriated \$39 billion and spent \$34 billion.

In 1949 we appropriated \$41 billion and spent \$40 billion.

In 1950 we appropriated \$50 billion and spent \$45 billion.

In 1951 we appropriated \$84 billion and spent \$45 billion.

In 1952 we appropriated \$93 billion and spent \$66 billion.

In 1953 we appropriated \$80 billion and spent \$74 billion.

In 1954 we appropriated \$63 billion and spent \$68 billion.

In 1955 we appropriated \$57 billion and spent \$65 billion.

In 1956 we appropriated \$62 billion and it is estimated that we shall spend \$64 billion.

In 1957 the President has requested appropriations totaling \$66 billion and the Budget Bureau has estimated that we shall spend \$66 billion.

The accumulation of unexpended balances in appropriations over the years in excess of expenditures, after deducting lapses, now totals \$74.6 billion. If we should appropriate in this session of Congress the full amount requested by the President for fiscal year 1957, beginning July 1, we would enter the new fiscal year with appropriations and other authorizations for expenditure totaling \$140.9 billion.

Of the \$66 billion in new appropriations requested by the President for fiscal year 1957, only \$42.7 billion is for actual expenditure during the year. This means that of the appropriations we are making at this time, assuming the budget requests, \$23.3 billion would be for expenditure in some subsequent year. Under the legislative appropriation practices, expenditure from this \$23.3 billion balance would be subject to very little annual review by Congress in subsequent years.

This huge balance has been built up under a policy of financing tremendous long-lead time projects in advance by appropriating the full amount of the cost at the time of their inception. After the original appropriation, in practice, very little legislative control is exercised over annual expenditures from multiyear appropriations.

Under this bill the President's budget ultimately would be submitted on an annual accrued-cost basis, and appropriations would be made each year to finance the annual cost of contracts entered into pursuant to statutory authority.

I do not contend that this legislation would accomplish all which is desirable for the recapture of congressional control over the annual rate of expenditure of Federal funds. But it would be a step in the general direction of more meaningful appropriation action. It would provide a more practicable control over annual expenditures. It would produce a more tangible relationship with revenue requirements for a given year. It would develop a clearer disclosure of Federal activities on an annual basis. And it would establish Federal operations on a more businesslike basis not only for purposes of revenue and appropriations but also for more effective accounting and auditing.

I hope the bill will pass as a progressive reorganization in Federal fiscal procedures, methods, and techniques which may result in more efficient government at reduced cost to taxpayers.

ADMINISTRATION OF THE RECLAMATION PROJECT ACT OF 1939

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to